

1                    **BAR CODED BILL PAYMENT SYSTEM AND METHOD**

2                    **BACKGROUND OF THE INVENTION**

3                    The present invention relates to a payment system and method, and more  
4 particularly, to a system and method for paying bills using bar code identification.

5                    The current paradigm of the bill payment cycle for goods and services rendered  
6 has improved only in incremental steps since the beginning of time. In ancient times,  
7 most goods and services were exchanged between individuals, using the common  
8 currency of the realm or by a mutually agreed upon barter arrangement. Extension of  
9 credit for goods and services was generally limited to the affluent and wealthy. When  
10 payment was due, handwritten invoices were hand delivered. Sometime later, cash  
11 payment would be remitted in person. Most trade occurred at the local level between  
12 individuals, exchanging cash or barter goods.

13                   In the late 1800's and early 1900's in the United States, credit for goods and  
14 services rendered remained essentially unchanged at the local level. Society became less  
15 stratified and there became an affluent middle class populace between the highest and  
16 lowest levels of society. Credit for goods and services became extended to select groups  
17 and individuals within this populace as well as the affluent and wealthy. However,  
18 invoices were still handwritten tallies of goods and services rendered, which were paid  
19 for in cash. The Industrial Revolution precipitated many technology advances in  
20 transportation and communication, which affected many facets of daily life. In  
21 commerce, the foundation cornerstones of the financial services industry, as it exists  
22 today, were developed and shaped. With an infrastructure of a national mail network and  
23 a solid central banking system in place, the more affluent and wealthy individuals began

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1 to have a larger and more convenient span of financial control with extended remote  
2 banking credit services. Merchants could then send their invoices to distant customers  
3 through the national mail network and receive payments, some time later, in the form of a  
4 bank draft honored by the local bank for cash.

5 In the generations following World War II to the present time, with general  
6 society becoming more and more homogenized and, on the whole more affluent, banking  
7 services are available and competitive at every level. Bank checking accounts (and  
8 therefore a credit mechanism with which to pay remote billers) are available to 60 percent  
9 or more of the population. The national mail network is a very cost-effective delivery  
10 system for local and remote customers of automated or machine printed monthly invoice  
11 statements, which average 8 billion annually. Customers write checks, as payment for  
12 these invoices, and return them via the mail network. When received at the merchant  
13 directed return location (a bill payment-processing center), these mail payments are  
14 opened, the checks deposited, and the customer accounts credited with the face amount of  
15 these check payments.

16 If everyone were to pay their bills on or before the due date with valid checks, this  
17 state of the bill payment industry might be sufficient to satisfy most of today's societal  
18 needs. However, this is not the case. Some people never pay their bills on time, for a  
19 variety of reasons. Payments made with a check are not always covered with sufficient  
20 funds at their bank. The end-result consequence to the biller is a finite cost that is  
21 directly attributable to the disruption of the flow of goods and services through his  
22 business.

1 To cover the costs incurred by these late payments, billers have only two options  
2 available to them. One option is to spread this overhead cost over of all the goods and  
3 services that they provide, with the possible consequence of pricing their products or  
4 services out of the competitive price range for similar or substitute set of products and  
5 services. The second option is to impose payment penalties on those customers who pay  
6 late – for whatever reason. This second option is generally more preferable since it  
7 targets the problem population segment directly. However, billers are often unable to  
8 recover the full cost of late payment consequences from those customers and still stay  
9 within the public legal and regulatory mandates.

10 Recently, there have been business attempts to further automate the bill payment  
11 process by the electronic delivery of biller invoices and the subsequent electronic  
12 remittance of payments. While the electronic presentment of bill payments might address  
13 the current 15% or so of the U.S. population with access to the Internet, it does not  
14 address the 85% without Internet access. Within the next decade, the Internet wired  
15 segment of the population will not grow as fast as the current crop of “dot com”  
16 entrepreneurs hope or project in their “new” economy business plans. The latest statistics  
17 show that less than 3% of the American public may use on-line remittance services.

18 Federal statistics indicate that fully 30-40% of the U.S. population may be  
19 “unbanked”. The “unbanked” population operates solely within the cash economy  
20 without any formal banking level traceability. There are many reasons that people prefer  
21 to operate in this economy, some of which are culturally related. Others prefer  
22 anonymity for quite specific reasons, such as illegal aliens avoiding detection and  
23 deportation by the INS or others hiding their sources of income from the IRS. Federal

1 statistics also indicate that 30-40% of the adult U.S. population may have a working  
2 fourth grade education or less.

3       There may be a correlation between those people opting for the cash economy and  
4 the fact that many may not be able to maintain and balance a checkbook. Most people  
5 would rather admit to being "unbanked" rather than to being illiterate. The "unbanked"  
6 segment of the population has difficulty operating in a check-oriented society and paying  
7 their monthly bills to remote billers. At the local level, the proprietor-operated check  
8 cashing storefronts may service some of the needs of these individuals. Weekly  
9 paychecks are cashed for a transaction charge (mostly based on the face value of the  
10 check), and money orders are then bought, to be enclosed with mailed bill payments.  
11 When bill payments are long past their due date, these individuals may have to resort to  
12 more expensive electronic wire services to avoid service disconnects.

13       For the great majority of printed bill payment invoices that are distributed every  
14 month, each biller automates and optimizes its bill collection and remittance process to  
15 suit the requirements of its installed paper handling equipment and flavor of customer  
16 account numbering assignments and schemes. Bill remittance stub sizes and formats  
17 vary from postcards printed with dot matrix printers to full-page 8 1/2" by 11" sheets with  
18 laser printed invoice information on pre-printed forms. Each has a tear-off bill remittance  
19 stub portion that is then mailed back with a check payment. Account numbers on these  
20 bill remittance stubs appear in different (and sometime multiple) spatial positions,  
21 formats and fonts. While still not universal, most billers have formatted their account  
22 numbers (and other customer related information) on bill remittance stubs in Optical  
23 Character Recognition (OCR) readable scan lines. Some of this information is printed

twice on the bill remittance stub as a contingency that the paper bill remittance stub is shredded or mangled by the automation equipment. Human data entry of this customer account number information is the ultimate fallback mode for processing this payment.

Figure 1 shows an exemplary local gas company remittance stub 100 utilizing this manner of design. The biller in this example has assigned a numeric account number to each of his customers. As shown in Figure 1, the customer account number is printed three times, the human readable one 102 under the "Your Account Number" heading, and the other two 103, 104 printed twice in machine-readable form. Account number check digits 101 are used to validate the account number. Each digit in the account number is multiplied by a mathematical weight, and then all these products are added together. Dividing the total sum by 10 and complementing the remainder yields the check digit that is compared against the indicated digit. If the digits match, then the account number has been detected and read correctly. Check digits are employed to eliminate two types of common errors, physical digit read errors and transposition errors (when the customer account number is processed manually).

Figure 2 shows an exemplary remittance stub 200 from a local power company that assigns a combination of letters and digits to its customer base. There are two forms of the customer account number 201 that appear on the bill remittance stub. The first 201 is designed to be human readable because it appears within a printed text box labeled "Account Number". The last digit in the Account Number box is the customer account number check digit. The second form of the customer account number 202 appears in machine-readable form and is embedded in the OCR scan line (underlined for illustration). The leading "4" digit is the customer account number check digit and the

1 remainder of the underlined portion of the OCR line are the digits that can be mapped  
2 into the human readable "Account Number" form. The format of this machine-readable  
3 OCR scan line 202 is probably a confluence of many internal design decisions, based on  
4 several factors. From a human ergonomics perspective, a customer service representative  
5 of the power company, during a service call, would never ask a customer to recite his  
6 account number from a sequence of digits appearing within the machine-readable OCR  
7 line and expect a correct answer. The human readable form 201 of the customer account  
8 number is easier for a customer to recognize and to dictate over the telephone when  
9 requesting service changes to his account.

10       These two examples illustrate the primary uses of duplicate account information  
11 printed on a bill remittance stub – one for simplicity when verbally referring to a specific  
12 customer account and the second for the case that the automation process fails and  
13 customer account number payment information has to be entered manually.

14       Figure 3 shows an exemplary remittance stub 300 from a gas company, in which  
15 the biller automates part of the bill payment remittance process by including, on the bill  
16 remittance stub, company proprietary bar coded information 301 that does not appear to  
17 be related in any way to the printed customer account number. While the format of this  
18 bill remittance stub 300 may marginally advance that biller's state-of-the-art bill  
19 collection and system processing with the use of newer and improved automation  
20 equipment, it does not significantly decrease, in favor of the customer, the overall bill  
21 payment cycle. The great majority of the bill payment cycle time consists of non-  
22 deterministic time delays in the national mail network during the biller-to-customer and  
23 the payment-to-biller delivery paths. These random time delays, combined with very

1 short biller dictated due dates and (possibly intentional) delayed processing times, always  
2 work to the detriment of the customer. As a result, some customers are assessed penalty  
3 payments, which are sometimes more profitable than the basic goods and services  
4 provided.

5 The system of bill payment invoicing, collection and remittance processing  
6 remains a fragmented industry because there are no common bill remittance stub format  
7 standards, no common customer account number representation standards, no common,  
8 expedient data and money delivery mechanisms to the biller, and no large bill remittance  
9 stub processing networks, in addition to payment cycle delays that always work to the  
10 detriment of the customer to favor the biller (with a correspondingly greater profit  
11 margin). By constructing a common set of standards from the current set of available  
12 technology components, a universal national bill payment network could be implemented  
13 that addresses the above list of industry problems, resulting in a positive economic impact  
14 to the business community at large. For such a set of standards to work, the cooperation  
15 of several large organizations would be required; however increases in raw profit and  
16 new business growth opportunities should induce such cooperation.

17 As shown in Figure 4, a system 400 consistent with the existing bill payment  
18 paradigm uses the national mail network and biller payment processing centers to convert  
19 physical paper into electronic data and bank credits. The current bill payment network is  
20 a paper based network that primarily relies on the central banking system for processing  
21 customer remitted bank draft payments and the national mail network for customer  
22 invoice delivery and the return of mailed bill payments. In system 400, for all the goods  
23 and services rendered to a customer over a given billing period, the biller accounts

1 receivable 401 accumulates a dollar total and generates a detailed machine printed  
2 invoice (which may take 4-5 days after account cut-off time to process) that is sent to the  
3 customer 403 via U.S. Mail 402. The customer (i.e. payee) 403 typically receives the  
4 invoice 2-3 days later (which time is variable, without any direct traceability from the  
5 perspective of either the biller or the customer).

6       Once the customer receives the invoice in the mail, the customer makes out a  
7 check payment or procures a money order 404 to remit with a mail payment, which  
8 occurs sometime later, depending on the availability of cash resources and other  
9 circumstances. The customer mails the payment via U.S. Mail 405 to the biller collection  
10 and processing center 406, where processing time may be 2-3 business days or more  
11 (which time is variable, without any direct traceability from the perspective of either the  
12 biller or the customer). At the bill payment processing center 406, the following  
13 operations are typically performed: opening all received mail; microfilming and/or  
14 otherwise recording all received payments; electronically reading and processing OCR  
15 bill remittance stub information; preparing all received check or money order payments  
16 for bank submission; and electronically remitting bill payment data, based on check  
17 payment verification. Processing time within the processing center 406 may be 2-3 days.

18       It should be noted that there may be sanctioned late payment penalties imposed on  
19 credit card payments, wherein a biller might gain an advantage by intentionally delaying  
20 an on-time payment by a day or so, thereby causing an otherwise on-time payment to be  
21 considered late. For example, for a \$200 payment delayed by only one day, a \$25 late  
22 payment penalty might result in an equivalent Annual Percentage Rate (APR) interest  
23 rate of 150%, for little or no marginal cost to the biller. This overcharge, which may be



1 difficult for the customer to trace later, may be compounded by another finance charge  
2 for the outstanding unpaid balance amount, made late by that intentional delay.

3 Payment data is next remitted electronically from the processing center 406 to the  
4 biller's bank 408, and processing and distribution of electronic payment data is typically  
5 done using the Federal Reserve Automated Clearing House (ACH) Network 407, which  
6 typically takes 6-9 hours. At the biller's bank 408, the electronic payment data is  
7 received from the ACH Network, stripped and reformatted according to biller specified  
8 formats, which may take 4-6 hours. Finally, the biller's accounts receivable 401 and/or  
9 customer service computer files are updated. Depending on the "legacy factor" of the  
10 biller's computer processing systems, this process can range anywhere from 2-3 hours to  
11 4-5 days.

12 Assuming zero latency on the part of the customer paying his bill, the cycle time  
13 between the customer account cut-off time and the time that the customer payment is  
14 applied to his account, using the above time estimates, may range from 13-18 days.  
15 Since there is usually some customer delay, the observed bill payment cycle time will be  
16 longer.

## 17 SUMMARY OF THE INVENTION

18 It is therefore an object of the present invention to provide a system and method  
19 for bill payment wherein a national electronic network with a plurality of retail outlets  
20 configured for bill payment may be established.

21 It is another object of the present invention to provide a system and method for  
22 bill payment wherein billers benefit by receiving accurate electronic payments delivered  
23 in a timely manner, which payments may be directly applied to their accounts receivable.

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1           It is a further object of the present invention to provide a system and method for  
2 bill payment wherein bill paying customers benefit by having an electronically time  
3 stamped traceable payment that is electronically delivered and expediently applied to  
4 their account following payment, and wherein no personal computer or other equipment  
5 is required.

6           It is still another object of the present invention to provide a system and method  
7 for bill payment wherein participating retail establishments may obtain a relatively cost-  
8 free profit margin from each bill payment transaction processed.

9           It is still a further object of the present invention to provide a system and method  
10 for bill payment wherein a uniform bar code "signature" system is used to identify bill  
11 paying customers, billers, and other transactional information from a single bar code  
12 printed on a customer remittance.

13           The present invention involves the transmission of payment information via one  
14 or more networks (e.g. the Internet and the Federal Reserve ACH Network) to billers of  
15 consumer goods and services. This payment information is captured using existing  
16 scanners in cash register systems at supermarkets, chain stores, or other retail outlets.  
17 Retailers gain access to a valuable affinity draw because everyone has bills to pay  
18 regularly. Billers save millions of dollars in collection and processing expenses.  
19 Consumers are provided a convenient way to pay any bill quickly and flawlessly for a  
20 nominal transaction fee (e.g. \$1.00 per bill).

21           A bill payment system and method consistent with the present invention relies on  
22 an additional ISO standard printed bar code on the biller invoice, which is then delivered  
23 to the customer via the national mail network. Thereafter, payment information and

1 payment credits are returned to the biller electronically. With the proliferation of the  
2 Universal Product Codes (UPC) that are imprinted on every retail product today, an  
3 infrastructure for processing bar coded information is already in place. At supermarkets,  
4 bar code scanners at all the checkout aisles are used to register the sale of all items for  
5 inventory and pricing purposes. Bar coded bill payments would be just another  
6 commodity item to be paid for, accepted at retail. Upon receiving a bar coded payment  
7 invoice, the customer could go to any supermarket, chain store, post office, or other  
8 location which accepts this type of payment, to pay his bill. In return for the nominal  
9 transaction fee paid, a customer might receive a printed detailed proof of payment  
10 receipt. Billers could be notified immediately and agree to suspend all collection  
11 activities, and account posting could take place within 36 hours, all funds remaining  
12 within the Federal Reserve Banking system. No state banking licensing would be  
13 required, since each biller's approval is secured by means of a biller registration process,  
14 which introduces the technical specifications and certification parameters necessary for  
15 billers to participate in a system consistent with the present invention.

16 As a participating retail establishment provides bill payment services to the  
17 public, it also forms a new portal. A proprietary router/application interface may be non-  
18 invasively attached, indirectly, to the retailer's checkout scanner. Through this portal,  
19 other services can be offered to consumers. For example, in addition to payments, money  
20 transfers (a financial services which may be lucrative to provide) may be provided  
21 through a system consistent with the invention. Bank account transactions such as  
22 deposits may be made or Internet wallets replenished. Though not required, the U.S.  
23 Postal Service (USPS) could be offered a new income stream for simply authorizing this

1 system. The power of an "electronic" postmark may impact the way billers view this  
2 system.

3 It is contemplated that the retail industry should provide advertising as they  
4 promote the affinity pull they already wish to impart upon the consumer marketplace.  
5 The community of consumer billers should provide cooperation because of the potential  
6 of this system to reduce what are now very expensive embedded collection costs.  
7 Consumers need another way to pay their bills more efficiently than the U.S. Post Office  
8 mail can do so today, especially for those without bank accounts or those who desire to  
9 use credit for bill payments, and clearly for those who are late. A system consistent with  
10 the present invention therefore benefits billers, consumers and retailers who participate,  
11 and may be inexpensively and easily established and maintained.

12 A bill payment system consistent with the invention comprises a biller generating  
13 at least one invoice for at least one customer, the invoice comprising a unique bar code  
14 comprising data identifying at least the customer and the biller, and a scanning apparatus  
15 configured to scan the bar code and, based on the identifying data of the bar code, to  
16 effect payment to the biller in a predetermined amount. In method form, a bill payment  
17 method consistent with the invention comprises: generating an invoice for at least one  
18 customer, said invoice comprising a unique bar code, said bar code comprising data  
19 identifying at least said customer and said biller; and permitting a third party to scan said  
20 bar code and, based on the identifying data of said bar code, to effect payment to said  
21 biller in a predetermined amount.

22 In another embodiment, a bill payment network consistent with the invention  
23 comprises a plurality of billers, each biller generating an invoice for at least one

1 customer, the invoice comprising a unique bar code comprising data identifying at least  
2 the customer and the biller, and a plurality of third parties in communication with the  
3 billers, each third party capable of scanning the bar code and, based on the identifying  
4 data of the bar code, effecting payment to the biller in a predetermined amount. In  
5 another embodiment, a bill payment method consistent with the invention comprises:  
6 receiving an invoice from a biller, said invoice comprising a unique bar code, said bar  
7 code comprising data identifying at least a customer and said biller; and permitting a third  
8 party in communication with said biller to scan said bar code and, based on the  
9 identifying data of said bar code, to effect payment to said biller in a predetermined  
10 amount.

# 11 **BRIEF DESCRIPTION OF THE DRAWINGS**

12 Figure 1 is an exemplary prior art remittance stub from a utility company;  
13 Figure 2 is another exemplary prior art remittance stub from a utility company;  
14 Figure 3 is another exemplary prior art remittance stub from a utility company;  
15 Figure 4 is a process flow diagram of an exemplary prior art bill payment system;  
16 Figure 5 is a process flow diagram of an exemplary bill payment system  
17 consistent with the present invention;  
18 Figure 6 is an illustration of an exemplary data structure of elements underlying  
19 the bar code "signature" in one embodiment of the present invention;  
20 Figure 7 is an illustration of another exemplary data structure of elements  
21 underlying the bar code "signature" in one embodiment of the present invention;  
22 Figure 8 is an illustration of an exemplary bar code bill payment "signature" in  
23 one embodiment of the present invention;

1           Figure 9 is a table illustrating the results of an exemplary split modulus matching  
2 calculation in one embodiment of the present invention;

3           Figures 10 and 11 are illustrations of an exemplary Level 3 envelope in one  
4 embodiment of the present invention;

5           Figures 12 and 13 are process flow interaction diagrams of the mainline  
6 transaction information interchange between the checkout scanner, retailer host  
7 processor, and data collection network interface (DCNI) unit in processing a bar coded  
8 customer bill remittance stub, in one embodiment of the invention;

9           Figure 14 is a system view diagram of a transaction collection system in one  
10 embodiment of the present invention;

11           Figure 15 is an exemplary transaction processor executive controller (TPEC)  
12 display screen, in one embodiment of the invention;

13           Figure 16 is an exemplary system monitor station (SMS) display screen, in one  
14 embodiment of the invention;

15           Figure 17 is an exemplary end of batch monitor (EBM) display screen, in one  
16 embodiment of the invention;

17           Figure 18 is an exemplary electronic transmission interface (ETI) display screen,  
18 in one embodiment of the invention;

19           Figure 19 is an exemplary ETI transaction detail display screen, in one  
20 embodiment of the invention;

21           Figure 20 is an exemplary ETI map biller-to-partner display screen, in one  
22 embodiment of the invention; and

1           Figure 21 is an exemplary transaction browser display, in one embodiment of the  
2 invention.

### 3       **DETAILED DESCRIPTION OF PREFERRED EMBODIMENTS**

#### 4                               Bill Payment System

5           Turning now to Figure 5, a bar coded bill payment based system 500 consistent  
6 with the present invention utilizes a bar code on the biller invoice, which is then delivered  
7 to the customer via mail, and payment information and payment credits are returned to  
8 the biller electronically. Advantageously, nationally recognized and federally sanctioned  
9 payment electronic networks may be utilized for remitting customer payment data and  
10 funds. For all the goods and services rendered to a customer over a given billing period,  
11 the biller's accounts receivable 501 accumulates a dollar total and generates a detailed  
12 machine printed invoice including a special bar code, which is mailed to the customer  
13 503 via U.S. Mail 502. Time for processing and mailing may be 4-5 days after account  
14 cut-off time, and the mail transit time to the customer may add an additional 2-3 business  
15 days or more before the customer receives the invoice (which time is variable, without  
16 any direct traceability from the perspective of either the biller or the customer). The  
17 customer 503 then receives the invoice in the mail. Sometime later when cash resources  
18 are available, or depending on other factors, the customer 503 decides to pay bill. The  
19 time for this to occur is variable, depending upon the customer's circumstances.

20           To pay the bill, the customer 503 takes the bar-coded invoice to a participating  
21 store (e.g. a supermarket) that processes bill payments. The customer presents his bar-  
22 coded bill remittance stub to the checkout cashier for scanning at the checkout scanner  
23 504, which may be done while paying for other UPC-coded items. Instead of looking up

1 an in-house UPC code for pricing, the scanner 504 picks up the bill payment bar code  
2 that identifies the biller to be paid and the account number to be credited. The customer  
3 informs the checkout cashier the amount to be paid on that account, payment is tendered  
4 to the cashier, and the cashier inputs the amount to be paid into a terminal which is in  
5 communication with a backend host processing system 505. Upon receiving payment  
6 from the customer, that bill payment is then complete. The check out of any remaining  
7 products and items (or bills) continues until the complete total for all goods and services  
8 is calculated. The customer may receive a printed receipt of the payment tendered with  
9 date and time that the payment was made. The backend host processing system 505  
10 forwards all the payment data to the data collection network interface 506 ("DCNI").  
11 The processing time for all of the payment steps may be as little as a few seconds.  
12 Moreover, payments made in this manner are time-stamped, so that once payment is  
13 made, the customer may rest assured that payment has been timely acknowledged.

14 The data collection network interface 506 collects and stores all the customer  
15 payment data in non-volatile memory. Periodically throughout the day (based on time  
16 and transaction volume thresholds), or at other predetermined intervals, the interface 506  
17 transmits the payment data to the central site transaction collection system 507.  
18 Additional transmissions may be scheduled before the daily transaction collection system  
19 507 aggregation times. The time for the back-end and collection system processing has  
20 no impact on customer payment time, since all payments may be time-stamped.  
21 Separately calculated calendar day payment counts and totals may also be sent to the  
22 transaction collection system 507 as an independent transaction audit balancing  
23 mechanism. The transaction collection system 507 may continuously receive payment



1 data information from a distributed network comprising a plurality of data collection  
2 network interface units 506 deployed at field retail establishments. Before the last  
3 processing window closes at the Federal Reserve Automated Clearing House (ACH)  
4 Network 508, all customer payments are sorted and aggregated for direct remission to  
5 their respective billers, which may take approximately an hour. Processing and  
6 distribution of electronic payment data is done using the Federal Reserve Automated  
7 Clearing House (ACH) Network 508, which may take 6-9 hours. At the biller's bank  
8 509, the electronic payment data is received from the ACH Network, stripped and  
9 reformatted according to biller specified formats, which may take 4-6 hours. Finally, the  
10 biller's accounts receivable 501 and/or customer service computer files are updated.  
11 Depending on the "legacy factor" of the biller's computer processing systems, this  
12 process can range anywhere from 2-3 hours to 4-5 days.

13 Assuming zero latency on the part of the customer paying his bill, the cycle time  
14 between the customer account cut-off time and the time that the customer payment is  
15 applied to his account, using the above time estimates, may range from 9-12 days (in  
16 contrast to the 13-18 days of the prior art system). Since there is usually some customer  
17 delay, the observed bill payment cycle time will be longer.

18 Moreover, if the biller recognized the customer payment date and time as the  
19 creditor date of receipt as specified in the Federal Reserve Regulation Z, Section 226.10,  
20 then the total bill payment cycle time would be reduced to 6-8 days. Explicit agreement  
21 from the biller would be secured through the biller registration process. The biller may  
22 validate the customer payment date with the transaction embedded "electronic postmark",

1 which can not be performed within the current frameworks of either the paper based bill  
2 payment or the electronic payment paradigms, today.

3 In addition to the more than 55% time reduction in the bill payment cycle, other  
4 advantages of the present invention include: customer choice of local bill payment  
5 locations, electronic application of bill payments to account within 24-36 hours, a  
6 reduction in bill payment errors with machine-readable bar coded account numbers, and  
7 time stamping of bill payments at the time payment is tendered. Electronically delivered  
8 bill payments, under the present invention, are much cheaper for the customer to pay for  
9 and less expensive for the biller to process through its remittance processing center and  
10 accounts receivable systems than under a prior art system. Additionally, banks that  
11 process data from the ACH system will have more chargeable services to offer their biller  
12 customers. Furthermore, billers can incorporate this bar coding standard into their bill  
13 remittance processing centers, as older OCR recognition equipment is replaced with  
14 simpler and more reliable laser bar code scanning equipment. With sufficient planning, a  
15 biller, contemplating a conversion of one or more legacy customer account numbering  
16 systems to a simpler, newer scheme, can use this system of bar coding in its conversion  
17 process. In an alternative embodiment, electronic invoice delivery, whereby the customer  
18 receives and prints the bar-coded invoice at his own computer system, may be used to  
19 reduce the time and labor required for the biller to prepare and mail invoices to the  
20 customer.

21 It is further contemplated that billers would register with a centralized  
22 organization in order to receive an assigned biller bar code, just as all companies must

1 register with the Uniform Code Council (UCC) to get their Universal Product Code  
2 (UPC) assignment for their products.

3 It should be understood that the foregoing described embodiment which uses the  
4 in-store scanner and retail host back-end machine as a means of detecting, reading and  
5 processing the bill payment bar codes is but one embodiment, and these components are  
6 not described herein as limitations. For example, another method might utilize a personal  
7 computer, terminal, or other equipment having a bar code capable scanner, receipt printer  
8 and an interface to the data collection network interface in place of the in-store system.

9 Ideally, such a computer would have the same functionally equivalent interface as the in-  
10 store system. In fact, it is contemplated that, as a transitional measure, until the retail  
11 stores modify or update their in-house check-out software systems to accommodate the  
12 data collection network interface, a simple PC might operate in its place and serve as a  
13 model prototype to demonstrate the operational aspects of this system.

#### 14 Bar Coding Validation

15 Prior art systems have concentrated on the visual aspects of bill remittance stub  
16 recognition, detection and validation against potential fraud, typically using optical  
17 character recognition (OCR). The present invention applies a bar code solution to the  
18 general bill payments problem, rather than a new variant or improved OCR technique.  
19 Bar code is more efficient than OCR by several magnitudes because bar codes can be  
20 detected reliably and processed by relatively simple hardware and firmware, whereas  
21 OCR requires long physical scan times and significant host CPU processing requirements  
22 for character recognition (and then only for a selected set of fonts). Bar code consists of  
23 binary elements that are parity checked for every bar code symbol and globally checked

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1   digitated at the message level. OCR consists of many analog segments that have to be  
2   neurally correlated and matched to the human readable character set with no internal self-  
3   checking controls. In short, bar code is the future digital solution whereas OCR is a dated  
4   analog solution that still plagues most bill payment processes today.

5           The Universal Product Code (UPC), printed on most retail products today, is a 12-  
6   digit number that is a concatenation of four numeric fields - a classification number (1), a  
7   producer identification number (5), a product identification number (5), and a check digit  
8   (1). The need for a standards authority first arose in 1972 when the supermarket industry  
9   decided to mark each of the grocery point-of-sale packages with a unique identifier to  
10   speed checkout transactions, therein creating an organization that today is called the  
11   Uniform Code Council (UCC). The underlying bar code symbology is merely a  
12   convenient representation of this UPC code format that can be reliably detected by simple  
13   point-of-sale scanning equipment (thus, it does not matter which particular bar code is  
14   used).

15           There is no standard way of representing multiple data fields in a single scan line,  
16   given the designs and formats of various bar code standards and conventions commonly  
17   in use today. For a typical bill payment application, two fields are minimally required - a  
18   6-7 digit biller identification and a variable length (up to 22 characters or more)  
19   alphanumeric customer account number. If these fields were concatenated in a fixed  
20   format in a single bar code scan line on a bill head, it is very doubtful that low skilled  
21   retail help would reliably scan the correct bar code where multiple bar codes might  
22   appear on a given bill head. To perform error-free data validation on this scan line, more  
23   information must be embedded within the data itself.

1           In the retail environment where bar coded products abound, there is a distinct  
2   need to determine that a bar code, submitted for processing, is correct and valid for the  
3   target bill payment processing application. One cannot assume that the retailer will  
4   always submit a valid bar code from a bill remittance stub that may contain more than  
5   one printed bar code sequence. If, for example, a utility company prints the new bill  
6   payment bar code, in addition to an already existing internal routing bar code, the two bar  
7   codes must be disambiguated. While the utility company can easily distinguish its own  
8   internal routing code by its printed position on the bill remittance stub, a retail cashier  
9   might not know which to present. The solution is for the cashier to use trial and error. If  
10   the first bar code attempted does not validate, the second (or third, etc.) should be  
11   scanned. Validating a bar code bill payment "signature" in the course of the bill payment  
12   process is a component of an embodiment of the present invention.

13           By using a unique bar code "signature" having multiple levels of data validation  
14   implemented by check digit algorithms, a bar code scanning system may reliably  
15   recognize and validate a valid bill payment bar code. The concept of paper envelopes  
16   may be used as an analogy for relating the validation method of the invention. In the  
17   embodiment described herein, three "envelopes" are used (although those skilled in the  
18   art will recognize that any number of "envelopes" or levels of validation may be used),  
19   the first being inside the second, and the second inside the third. At the outermost layer,  
20   the third "envelope" has printed, on the outside, the bill payment bar code "signature". If  
21   the bar code is detected and read correctly by the hardware scanner, the resulting  
22   alphanumeric information is valid in that it compared correctly with the embedded  
23   encoded bar code check symbol. If this first operation is successful, the "envelope" is

1 opened. The directions printed on the inner "envelope" specify to calculate a check digit  
2 on the resulting alphanumeric information derived from the bar code, comparing the  
3 calculated result against the last digit in the string. If this second operation is successful,  
4 the next "envelope" is opened. The printed directions on the innermost "envelope"  
5 specify to use the format designator digit(s) to decode and to verify the data integrity of  
6 the embedded component data elements. Each of these data elements should be verified  
7 by calculating their check digits and by utilizing other independently available data  
8 validation checks.

9 If all three levels of validation successfully pass muster, then a valid bill payment  
10 "signature" has been detected and the resulting data should then be passed to the target  
11 bill payment application for subsequent processing. Failure at any intermediate  
12 validation level results in a negative acknowledgement. The prime purpose of this bar  
13 code "signature" design is to unconditionally identify the detected scanned bar code as  
14 being proprietary to the present invention, in the absence of any other external  
15 information, through multiple layers of check digit information, format designator  
16 indicators and local data validation schemes.

17 A number of different application "signature" formats may be implemented  
18 within a bar code scan line as a series of successive embedded "signature" data fields. In  
19 one embodiment, each signature data field consists of three elements: a format designator  
20 ("fd") consisting of one or more digits, a data field ("data") consisting of one or more  
21 fixed or variable length sub-data fields, and a check digit ("cd") algorithm associated  
22 with the format designator and the level at which it appears.

Figure 6 illustrates a bar code “signature” 600 in one embodiment of the invention, utilizing four levels of successive embedded “signature” data fields. The Level 1 data validation 601 is simply the hardware decode of the bar code symbology, using the embedded check symbol character as data validation – i.e., all the bar code symbols were detected and processed correctly. Applicability of the data to the intended target application is demonstrated when all the remaining levels of validation are successful. As shown in Figure 6, Level 2 data validation 602 consists of one signature data field (although it could have had more). The data validation of the Level 2 signature data field consists of two checks – that the format designator value (for that level) is correct and that the check digit calculation for the data string consisting of the format designator digit(s) and the data field digits matches the check digit character. The Level 2 format designator defines at least three characteristics: the check digit algorithm implementations (in this example, 1), the number of data elements (in this example, 1), and the number of trailing discard characters for bar code odd / even count padding (in this example, 2). The number of unique combinations of the above three characteristics will determine the number of format designator values required at this level. For this example, there is only one check digit algorithm to disambiguate target applications, there is only one data field element, and there are two padding character combinations for the Code 128 bar code. Thus, the total number of format designator values required at this level is two.

The Level 3 signature data field 603 checks operate on the residual Level 2 data. The Level 3 data validation checks are similar to the Level 2 checks and the format designator defines at least these three characteristics: the check digit algorithm

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1 implementations (in this example, 1), the number of data elements (in this example, one  
2 fixed, one variable or fixed), and the field lengths for one or more data elements. As  
3 shown in Figure 6, there are two data element fields. The number of data splits defined  
4 for this data field would determine the number of format designator values that are  
5 required for this level.

6 The fourth 604 to nth 605 levels comprise a continuing iterative process of Level  
7 3. Depending on the attributes or properties that one arbitrarily assigns to the data (and  
8 hierarchical functions) at each level determines the number of format designator values  
9 required at that level. The target application receives all the data fields from the final  
10 level of data validation.

11 A carefully chosen set of conventions for the format designators at each level will  
12 facilitate correct data field parsing with the additional security that multiple levels of  
13 check digit validation will ensure data integrity and “positive ownership” to the target  
14 application. The format designator digit(s) do not necessarily have to be leading as  
15 illustrated above. An alternative format for the leading format designators could be as is  
16 illustrated in the bar code signature 700 of Figure 7, in which the data strings precede the  
17 format designator digits.

18 With reference to the exemplary embodiment shown in Figure 6, a sample format  
19 of the unique bar code bill payment “signature” 800 is shown in Figure 8, as a multiple  
20 layered data validation scheme. A bar code typically consists of 6 sections: (1) a quiet  
21 zone (~ 0.25” of white space) before the bar code; (2) a unique bar code symbol that  
22 represents the “START” character; (3) bar code symbols representing data characters  
23 (1300017350764058410363); (4) bar code check symbol that represents a calculated



1 check digit of the preceding data character block; (5) a unique bar code symbol the  
2 represents the "STOP" character; and (6) a quiet zone (~ 0.25" of white space) after the  
3 bar code. If the hardware decode of this Level 1 envelope data string is not successful,  
4 the retail cashier should not get a good bar code scan confirmation. If the hardware  
5 decode is successful, the retailer cashier should get a good bar code confirmation (but not  
6 necessarily of a valid product code). A good hardware decode of a bar coded scan line is  
7 defined as the detection of valid bar code symbols within the string that, when processed  
8 through the defined check digit algorithm, matches the embedded string check symbol  
9 character. This is the first level of data validation check that must pass.

10 When the bar coded data characters are decoded from this scheme of variable  
11 width white and dark bar patterns, the result is the following string of (alpha)numeric  
12 characters: 130001735076405841036 3. Calculating a split modulus 10 check digit for  
13 the string to match against the last character, using a 1313... mathematical weighting  
14 scheme, results in the table of calculations illustrated in Figure 9. The Level 2 format  
15 designator value (1) is chosen to indicate the check digit algorithm (Split Modulus 10  
16 with mathematical weights of 1313...), the number of data field elements (1), and  
17 number of trailing padding characters (0) to utilize the high density Code 128 Type C  
18 symbol set. The Level 2 format designator value (2) is chosen to indicate the check digit  
19 algorithm (Split Modulus 10 with mathematical weights of 1313...), the number of data  
20 field elements (1), and number of trailing padding characters (1) to utilize the high  
21 density Code 128 Type C symbol set. The modulus (or the remainder) of the resulting  
22 sum of the digits (87 divided by 10) yields 7. The complement of the remainder 7 yields  
23 3 (10-7=3). This calculated result is the check digit of the above digit string, and

1 successfully matches the last digit in this illustrative example. This is the second level of  
2 data validation check that must pass. If this validation is successful, the operation  
3 proceeds to the Level 3 envelope data decode and validation algorithms.

4 In this particular example, there are only three levels of validation defined. The  
5 Level 1 check is a hardware validation data check. The Level 2 check is a pre-qualifying  
6 software validation data check. The Level 3 check is an "ownership" data check (i.e.  
7 whether this is the "signature" for bill payment data under the present invention).  
8 Different "signatures" can be constructed for any number of application program uses  
9 through a judicious design scheme and the selection of format designators. Format  
10 designators are arbitrary indicators with which to properly decode the format of and to  
11 validate the ensuing data string – in this case, the format designator is placed as the first  
12 (one or more) leading digit(s). At different levels, the same format designator values can  
13 have different meanings.

14 Turning now to Figures 10 and 11, two format designator values have been  
15 chosen in this example (at Level 3) to encapsulate six format and validation data  
16 characteristics – all of which must be correct for the third and final data validation check  
17 to pass. The Biller ID in each of these examples is "173" in a 6-digit numbering system.  
18 The embedded spaces in the encoded data examples 1000 and 1100 of Figures 10 and 11  
19 are not significant and are inserted to show more clearly the various fields within the  
20 example digit strings. The six format designator characteristics shown in Figures 10 and  
21 11 define either format (1,2,4,5) or data validation (1,2,3,6) checks. A format  
22 characteristic defines the layout of the data whereas a validation characteristic facilitates  
23 data checking. To validate a unique bar code application program "signature", the more

1 dependencies that exist within the data at each level for subsequent cross checking and  
2 validation, the better. In the illustrations of Figures 10 and 11, there are two format  
3 designator examples with all possible variants within several constraints that are checked  
4 and validated. Where there might be several different Level 2 check digit algorithms  
5 employed, a Level 3 dependency is checked. Condition #1 is checked against valid range  
6 of format designator values for the current Level (in this case 3, 4). Biller Identification  
7 Number (in this example, 173) is determined if Condition #3 is TRUE and if it exists  
8 within the list of current and valid billers (an independent table acquired by another  
9 means). Where the biller account number check digit algorithms are not known, a check  
10 digit is calculated and added to the account number – to be checked then stripped when  
11 presented to the biller (Format Designator Value = 4). Where the biller account number  
12 check digit algorithm is known, it is checked against biller defined specifications (Format  
13 Designator Value = 3): Conditions #1, #6. Within the Level 3 envelope for each of the  
14 above examples, the decoded and check digit values of the Biller Identification  
15 Number and the presented Biller Customer Account Number results are as follows: For  
16 Format Designator Value = 3, Biller ID = 173, Customer Account = 07640584103; and  
17 for Format Designator Value = 4, Biller ID = 173, Customer Account = 0764058410.  
18 This is the third level of data validation check that must pass. If all the components in the  
19 Level 3 envelope test and compare successfully, then the unique bar code bill payment  
20 “signature” has been correctly validated for further processing, and an indication is given  
21 to the retailer or cashier that a dollar amount payment should be entered for this item.

22 The primary purpose of this bar code “signature” design is to unconditionally  
23 identify the detected scanned bar code as being proprietary to a system or method

1 according to the present invention, in the absence of any other external information, and  
2 to validate (using mathematical formulae and/or independent table look-up methods, if  
3 possible) all the data element components therein.

4 The methods and procedures by which the format designator concept could be  
5 extended are strictly an implementation issue of design schemes and an adopted set of  
6 orthogonal convention(s). While the foregoing illustrative working example uses only  
7 three levels of "envelopes" to validate the unique bar code bill payment "signature", more  
8 levels could have been used, as required. The format designators in the foregoing  
9 example utilized a fixed data format with a set of predefined check digit algorithms for  
10 each level. Possible design extensions in further embodiments might include: (1) a  
11 format designator design scheme that defines a dynamic variable number of sub-field  
12 elements and/or a set of dynamic component string lengths for each of the defined set of  
13 the sub-field elements (in contrast to the foregoing illustrated predefined fixed schemes);  
14 (2) a format designator design scheme having more than one digit in length, wherein each  
15 digit specifies an independent set of predefined orthogonal attributes that can be  
16 combined in a mix-and-match fashion (e.g. a two digit format designator would specify a  
17 primary set of attributes in the tens digit that is qualified by a secondary set of attributes  
18 in the units digit); and (3) format designator design schemes wherein subsequent trees of  
19 sub-field elements are controlled by one or more preceding levels of format designators.

#### 20 Bar Coding Specifications

21 The bill payment application bar code printed on each bill remittance stub might  
22 minimally consist of four basic fields, printed as a single string of digits: a format  
23 designator (1 digit); a biller identification number with optional embedded check digit (7

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1 digits); a customer account number with optional embedded check digit (22 digits); and a  
2 check digit of the previous three fields (1 digit). Of course, those skilled in the art will  
3 recognize that the number of fields and/or digits per field as described herein is specified  
4 by way of example, and not limitation, and that the number and length of fields may vary  
5 according to each embodiment of the invention. In this example, the outermost bar code  
6 envelope for this information conforms to documented ISO bar coding convention  
7 standards, utilizing an embedded check digit algorithm to verify the integrity of the entire  
8 bar code scan line data. It is strongly recommended that the biller defined customer  
9 account number also contain an embedded check digit, as a prudent secondary validation  
10 measure. If an embedded check digit does not already exist within the biller customer  
11 account numbering scheme (or the biller does not wish to disclose that information as  
12 being company proprietary), an alternate account number format provides a temporary  
13 check digit that is checked then discarded before presentment to the biller. If the detected  
14 bar code scan line data correctly passes the triple tiered and multiple embedded check  
15 digit calculations, this mechanism will virtually guarantee "defect free" biller and  
16 customer account data. Otherwise, a bill payment stub whose bar code has been  
17 mutilated or defaced by the customer is immediately rejected at the point-of-sale entry.

18 To accommodate future requirements, an expanded set of format designators  
19 could define new data format structures or redefine the characteristics of current data  
20 fields. The following is a possible list of characteristics that a format designator element  
21 might define within a digit string: number of sub-field elements; component string  
22 lengths of one or more of these sub-field elements; check digit algorithms to be applied to  
23 each of the sub-field elements; odd/even string packing factors when a single bar code

1 character represents one or more digits (Code 128 is a good example of this compression  
2 feature); or subsequent trees of dependent sub-field elements. These format changes  
3 would be transparent to the end user. The bar code data, detected by the retail checkout  
4 scanner, is passed directly to the data collection network interface unit for secondary  
5 validation and translation. The parsed "translated" form of this data is then passed back  
6 to the back-end host processor system for completing the bill payment transaction at the  
7 checkout counter.

8       The bar code might either be printed vertically on the left (bottom to top) or right  
9 (top to bottom) hand side of the bill remittance stub with sufficient surrounding white  
10 space to satisfy the criteria of the ISO bar code format. If there are other proprietary bar  
11 codes present on the bill remittance stub, the checkout counter cashier could have the  
12 option of folding or bending the bill remittance stub such that only the required bar code  
13 is visible for a successful bar code scan of the bill payment information. Vertically  
14 printed bar codes of the format designator, biller identification number and the customer  
15 account number on most bill remittance stubs is good for a combined number sequence of  
16 14-25 digits at the lowest common denominator bar code print resolution (nominal bar  
17 code "X" dimension  $\geq 0.010$  inches and total bar code string length  $\leq 3.0$  inches). For  
18 sequences longer than that, it is recommended that the bar code sequence be printed in a  
19 manner parallel to the horizontal OCR line such that extraneous proprietary bar code  
20 information can be folded out of the way for a successful scan.

21       The assigned biller identification number is acquired or distributed from a central  
22 registry authority, akin to the manner in which the Uniform Code Council assigns new  
23 producer identification numbers. As far as the customer account number is concerned, it

1 is recommended that the biller include a check digit within the account numbering  
2 scheme. While it is unlikely that a customer account number would be read in error if the  
3 hardware bar code check symbol scan validates, this additional check digit provides  
4 double assurance to the biller that the customer account number is correct. This is  
5 especially important from the biller's point of view when accepting bill payments from  
6 many sources of ACH submitted data, many of which may be human entered from the  
7 myriad of home banking software packages available - known empirically to have very  
8 high human input error rates.

9 To this point, it has been tacitly assumed that the biller will want to print this new  
10 bar code on the face of his bill remittance stub. However, technical, as well as political,  
11 reasons could preclude the printing of a new bar code standard on the face of the current  
12 bill remittance stub. An alternative option might be for the new bar code format to be  
13 printed on the back of the current bill remittance stub (so as not to disturb the current  
14 mode of visual remittance processing) or printed on a second or subsequent tear-off bill  
15 page, formatted for that specific purpose. A further alternative would be to utilize a  
16 specially printed bar code format enclosure page (printed on better and sturdier paper  
17 stock) that would permit multiple reuse by the customer. Spare space on that enclosure  
18 could even be sold for advertising to defray the printing costs by the biller.

19 The most common point-of-sale bar code used throughout the retail industry is the  
20 UPC-A variant. However, most scanners employ an internal firmware auto-recognition  
21 mechanism that permits them to detect and to read several bar code symbologies. The  
22 bar code symbology, under current consideration for the most general specification of an  
23 alphanumeric customer account number, is the Code 128 family. Where there are only

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1 numerics, the Code 128 Type C variant features a high-density bar code – one printed  
2 symbol per two digits of information. During the checkout aisle scanner process, the  
3 back-end host processor recognizes a bar code data scan line as a valid bill payment  
4 transaction and requires the cashier to enter an amount to be paid. When this amount is  
5 entered, a fixed transaction fee is added to the bill payment amount. On the printed  
6 customer receipt, the bill payment is recorded in a form similar to the following,  
7 including biller name and account number, amount paid, transaction ID, date and time,  
8 and transaction fee charged:

9 PMNT: Biller Name  
10 ACCT: Customer Account Number  
11 AMNT: \$ ddd.cc  
12 TRID: rrrrrr yjjj ssss  
13 DATE: mm/dd/yy hh:mm  
14 FEE: \$ dd.cc  
15

16 This time-stamped transaction data is then stored in the data communication  
17 network interface unit for later transmission to the transaction collection system.

18 Where the checkout scanner detects multiple bar codes, the retailer cashier can be  
19 trained to recognize the placement of a valid bill payment “signature” bar code to be  
20 scanned for the proper processing of a customer payment. Scanning any other bar code,  
21 present on the bill remittance stub, that does not pass all of the bill payment “signature”  
22 tests results in an immediate validation reject by the data communication network  
23 interface unit.

#### 24 Back-end Host Processor

25 The retailer back room host processor may be required to support two well-  
26 defined interfaces, the front-end checkout counter scanner system and the back-end data



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1 collection network interface. When the Code 128 bar code format is encountered from  
2 bill remittance stubs, it should be recognized as a customer bill payment, rather than the  
3 UPC code for a customer selected product. This decision can be performed in a number  
4 of ways by the back-end host processor. The easiest logic path to implement within the  
5 back-end host processor is as follows: if this bar code scan is not recognized as one of  
6 several defined pre-programmed sequences, pass it to the data collection network  
7 interface before rejecting the scanned data completely. The back-end host processor  
8 passes the complete scan line data to the data collection network interface unit for  
9 secondary level validation and data translation. If secondary level validation is  
10 successful, the parsed translated data is passed back to the back-end host processor to  
11 complete the processing for this bill payment transaction. In this case, the returned  
12 translated data consists of the Biller Name, the Customer Account Number, and  
13 Transaction ID that is printed on the customer printed receipt.

14 As bill payment data is processed by the front-end checkout scanner system and  
15 completed, it may be relayed by the back-end host processor to the data collection  
16 network interface unit to be stored in non-volatile memory for later transmission to the  
17 central transaction collection system. There are a number of standard data collection  
18 network interface functions that may be accessed by the back-end host processor system,  
19 e.g. validating the biller name, adding a transaction, voiding a transaction, printing daily  
20 or weekly processed totals and reports, and setting or reading operational configuration  
21 parameters.

### Data Collection Network Interface (DCNI) Unit

The retailer on-site data collection network interface unit should provide a well documented, protocol neutral features and functions front-end interface to the retailer back-end host processor. The DCNI should also provide a non-volatile memory storage capability of accumulated customer bill payment data. This may be accomplished with a solid state hardware design that is electrically isolated at all the critical interfaces and has no moving elements that mechanically wear and eventually cause the unit to fail. The back-end of the data collection network interface should provide a transparent interface to the central site transaction collection system and include functionality such as: (1) performing secure validation procedures with the transaction collection system; (2) downloading DCNI unit operating system and program application code firmware; (3) downloading DCNI unit operational configuration parameters; (4) uploading DCNI unit memory image (emergency and debug use); (5) downloading Verification Biller ID and Name data; (6) uploading transaction data (compressed & encrypted); and (7) setting DCNI unit system date or time. The primary function of the data collection network interface unit is to provide a set of support functions to the retailer host processor to aid in the collection, validation and storage of transaction data from customer bill remittance stubs scanned at the checkout counter.

Figures 12 and 13 illustrate the mainline transaction information interchange between the checkout scanner, retailer host processor, and DCNI unit in processing a bar coded customer bill remittance stub, in one embodiment of the invention. As shown in Figure 12, the interaction occurring in the case of a valid account number begins with the bar code being read 1201 by the checkout scanner and passed to the retailer host

processor. The host processor next validates the bar code 1202 and passes the resulting data to the DCNI. Since the account number is valid, an acknowledgment of validity (ACK) is returned 1203 via the host processor to the checkout scanner, along with the biller name and account number. The amount to be paid is queried 1204 at the checkout scanner, and the amount entered is passed 1205 to the retailer host processor, which passes 1206 the bar code data and the amount entered to the DCNI, where this transaction data is stored 1207. If the data store is successful, an acknowledgment is sent 1208 via the host processor to the checkout scanner, along with a transaction ID number. The checkout scanner may then print 1209 the biller name, account number, and transaction ID as a transaction receipt. As shown in Figure 13, in the case of an invalid account number, the checkout scanner first reads the bar code 1301 and passes it to the retailer host processor. The host processor next validates the bar code 1302 and passes the resulting data to the DCNI. Since some aspect of the data passed to the DCNI is invalid, an acknowledgment of invalidity (NAK) is returned 1303 to the host processor with a reason code. The Reject Payment status, passed to the checkout scanner 1304 from the host processor, may or may not contain the DCNI reject reason code for human feedback. Reason codes might include, e.g., invalid scan line (not a valid bill payment "signature" scan line), Biller ID check digit error, invalid Biller ID (old biller that is not serviced anymore), or Biller Customer Account Number check digit error. Payment is consequently rejected at the checkout scanner 1304.

In one embodiment, the Transaction ID that is returned to the retailer back-end host processor, as a positive confirmation that the transaction data has been accepted and successfully stored, is a 15 digit number consisting of: DCNI unit identification (7 digits),

1 last digit of year (1 digit), Julian date (3 digits), and transaction sequence number (4  
2 digits). This information may be printed on the customer receipt as three groups of digits  
3 (7,4,4) as an ease-of-use issue, should it be necessary for the consumer to dictate his  
4 Transaction ID to a customer service representative over the telephone.

5 Periodically throughout the day (primarily based on time and transaction volume  
6 thresholds), the DCNI unit should transmit its stored data to the transaction collection  
7 system after it has aged past the "transaction void" window. The "transaction void"  
8 window is defined as the time past which the transaction cannot be canceled after it is  
9 taken (e.g. 15 minutes to eliminate the possibility of fraud). In one embodiment, the data  
10 elements of each transaction transmitted to the host consist of the following: Retailer ID,  
11 Biller ID, Biller Account Number, Amount Paid, Sequence Number, Transaction  
12 Date/Time Stamp, Status as Active or Void, and Operator ID. When these transactions  
13 are transmitted to the transaction collection system, they may be sent in batches whose  
14 batch name conforms to the following naming convention: DCNI unit identification (7  
15 digits), last digit of year (1 digit), Julian date (3 digits), and last transaction sequence  
16 number in batch (4 digits). Such a numbering convention makes it easier for customer  
17 service operations personnel to trace a given Transaction ID.

18 The design and implementation of the data communication network interface  
19 functions could optionally be performed as a real time on-line system or as a batch  
20 oriented system to the transaction collection system. If implemented as a real-time  
21 system, communication costs to the central site and a redundant "hot cutover" central site  
22 hardware configuration is very expensive, by comparison, to eliminate all single point  
23 equipment failures in an overall system operation. A central site batch oriented "hot

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1 backup” system eliminates the real-time aspect of transaction processing that  
2 exponentially escalates costs. Central site redundant hardware still has to be available,  
3 but much less of it is required to achieve the same level of system operation reliability.

4 In systems that are explicitly designed for real-time operation (e.g. credit card  
5 verification), “hot cutover” systems contain elements that have to be designed, a priori,  
6 into the combination of system and application software to anticipate and to detect the  
7 many types of potential system, application or equipment failures. When detected,  
8 transaction processing is immediately and automatically transferred to an operational  
9 system “in waiting”. In the ensuing recovery mode precipitated by this equipment switch  
10 over, transactions, in transit at the time of the first system failure, are either pushed  
11 through to completion (if past a defined system bottleneck check point) or are pulled  
12 back. If a transaction is pulled back, all database record modifications are restored and  
13 then the transaction is reprocessed from ground zero.

14 “Hot backup” designed systems have fewer constraints. Spare equipment is  
15 powered up and ready to be switched into operational mode. While time is important, it  
16 is not as critical in this situation. In one embodiment, the DCNI unit resubmits  
17 transaction batches, not explicitly acknowledged as processed, at a later time (ranging  
18 from minutes to hours). Subsequently, if duplicate transactions are encountered on  
19 resubmission, they are not processed but are acknowledged as such to the DCNI unit.  
20 Much less premeditated contingency system software is required in this environment for  
21 robust system operation.

## Transaction Collection System

While the data collection network interface may be a single unit, the central site transaction collection system may consist of multiple central processor server units acting in concert to perform a collective set of functions and processes. This design approach permits scalable processing and avoids the possibility of single point failures that might curtail or impact the production processing of incoming transaction batches.

Figure 14 illustrates one possible configuration for the transaction collection system 1400. In the embodiment shown, incoming encrypted data files from the field data collection network interface units would come through a dial-up network or modem bank 1401 over a T1 or similar connection 1402 into an entry router 1403 outside the central site firewall, via a channel service unit/data service unit 1404 (CSU/DSU) or other similar device for providing isolation between the network and the on-premises equipment. Parallel firewall machines 1405, one operating in "hot back up" mode, filter the inbound data traffic from validated and secure data sources. In addition to their primary security role, one of the ancillary functions of the firewalls 1405 is to load balance the data traffic across all available file transfer protocol (FTP) engines 1407. A plurality of FTP engines 1407 are shown in the diagram as being in a scaleable multi-server configuration, coupled via one or more integration hubs (e.g. 100 MB or 1 GB Ethernet hubs) 1425. The FTP engines 1407 provide the raw computing power to transfer data packets from the firewalls 1405, to coalesce the data packets into data files and to write them to the FTP storage server 1408, which may comprise RAID (redundant array of inexpensive disk) storage or similar mass storage.

1 In the FTP storage machine 1408, a monitor process scans for completed inbound  
2 files to process. Upon finding such a file, the file decryption keys are fetched from the  
3 central transaction collection server 1410 and the file name is packaged in a message  
4 packet that is sent to one of a plurality of transaction processor (TP) engines 1409 in a  
5 scaleable multi-server configuration, coupled via one or more integration hubs 1425. It is  
6 noted that the transaction processor engines 1409 and FTP engines 1407 may optionally  
7 be provided with a console switching unit 1460 for sharing a single console (e.g. monitor,  
8 mouse, keyboard) across the plurality of engines 1407, 1409. A transaction processor  
9 engine 1409 (TPE), upon receiving this message packet, then has sufficient information  
10 available to locate, to decompress and to decrypt the inbound data file into its component  
11 data record types. The various received data record types are stored in a database (e.g.  
12 Structured Query Language, or SQL) on the transaction collection server 1410. The  
13 transaction collection server 1410 database is configured across several partitioned sets of  
14 physical hardware 1411 set up for RAID storage operation. The primary purpose for  
15 spreading the databases over several pieces of physical and logical hardware and/or  
16 software is to avoid having single points of data congestion and equipment failure. The  
17 transaction collection server 1410 database is the destination for all the data collected at  
18 all the retail processing locations. On a scheduled production basis, the data is  
19 aggregated and sorted, according to the biller identification associated with each  
20 transaction customer account number. ACH transaction files are prepared and formatted  
21 by biller identification, which then maps into biller-designated destination ABA bank  
22 routing and bank account numbers.

1           The administrative/data reporting server 1420 provides access to a copy of the  
2   production data for back office operations and monitoring by one or more work stations  
3   1427, without burdening the front end collection system. In the embodiment shown, the  
4   “glue” that holds the whole network together is one or more 100 MB or 1 GB Ethernet  
5   hubs 1425. This technology provides the foundation cornerstone by which various  
6   elements of the network communicate with each other and access each other’s mass  
7   storage as local devices. The web/fax server 1430 provides on-demand reports to  
8   retailers through a web server application. It also provides periodic reports to retailers  
9   that can be faxed out through the normal public telephone network 1445. The electronic  
10   transmission interface (ETI) machine 1440 prepares the data that has been accumulated  
11   and processed by the transaction collection server 1410 for transmission to the Federal  
12   Reserve ACH Network. It formats the data into the correct ACH CIE (customer initiated  
13   entry) format and transmits this data file to the appropriate destination bank interface. An  
14   optical drive 1432, tape storage unit 1433, or other such storage means may be provided  
15   for creating removable backups, which may be stored off-site.

16           In the CIE Entry Detail Record format, the following exemplary fields are  
17   populated with bill payment information: AMOUNT (Field 6) is populated with the  
18   Customer Payment; INDIVIDUAL NAME (Field 7) is populated with the Transaction  
19   Sequence Number (which contains the Julian date of payment); INDIVIDUAL  
20   IDENTIFICATION NUMBER (Field 8) is populated with the Biller Customer Account  
21   Number; and DISCRETIONARY DATA (Field 9) is populated with the Payment  
22   Complete Time encoded as a two digit time field ranging from 00 to 95. This number  
23   may be divided by 4 to calculate military hours (decimal) to the nearest quarter hour. For



1 example, the number 26 divided by 4 would yield 6.5 (0630 or 6:30 AM). The remaining  
2 fields in the CIE Record format are populated with mandatory banking information data,  
3 such as biller ABA and account number.

4 A print control station 1470 is coupled to one or more print engines 1471 for  
5 handling printer transmissions to one or more laser printers 1472 for a variety of report  
6 and other printing functions.

7 Figure 15 illustrates an exemplary transaction processor executive controller  
8 (TPEC) display screen 1500, in one embodiment of the invention. The TPEC monitor  
9 program resides in the FTP storage server 1408 and is responsible for detecting complete  
10 inbound data files from the field retailer based data communication network interface  
11 units. When an inbound data file is detected, TPEC fetches the file decryption key from a  
12 master database and then dispatches it and the data file name to one of the transaction  
13 processor engine (TPE) 1409 program threads. The TPE 1409 decompresses and  
14 decrypts the inbound data file and stores the component plain text data records in the  
15 SQL database that resides within the transaction collection server 1410 on RAID storage  
16 1411. As shown, display screen 1500 may include features such as jobs attempted 1501  
17 (i.e. batches received) and transactions processed 1502 (i.e. individual data records  
18 processed from the batches received). This display 1500 shows the current Transaction  
19 Process Engine(s) batch job statistics for the system batch dated 10/12/2000 at 13:44:31.  
20 As shown, TPEC is in PAUSED State – it is not currently dispatching any detected  
21 inbound data files to the TPE engines 1409. For this batch, 129 inbound data files were  
22 processed that resulted in 244 data records, stored in the SQL database.

Figure 16 illustrates an exemplary system monitor station (SMS) display screen 1600, in one embodiment of the invention. This display 1600 shows that individual retailers may be configured in a directory tree-like structure, with each of a plurality of distributors 1601 being a parent to one or more retailer bill pay sites 1602. The directory framework of retailers 1602 may conform to any convenient form of administrative structure, e.g. a distributor model, based on a hierarchy of people, or a physical model, based on territories with defined boundaries (states, counties, or towns). Also illustrated in this display is the placement of INSTRUCTION files 1603 that can reside at any level within an arbitrary configuration structure. An INSTRUCTION file 1603 contains operational directives to be applied to retailer terminals at or below the level of placement in the directory structure (i.e. transaction pricing, unit transmission schedule, revised configuration parameters).

Figure 17 illustrates an exemplary end of batch monitor (EBM) display screen 1700, in one embodiment of the invention. When the current system batch is closed out, this display 1700 shows the status of the various data processing phases (e.g. system batch 1701) that take place when the collection of received transaction data batches from the retail data communication network interface units are consolidated and sorted by biller for electronic transmission. EBM may be a Visual Basic program that orchestrates the series of Structured Query Language (SQL) scripts and ancillary programs to perform transaction consolidation, general system batch reporting, database trimming and data archiving.

Figure 18 illustrates an exemplary electronic transmission interface (ETI) display screen 1800, in one embodiment of the invention. This display 1800 includes a summary

1 1801 of the dollar amounts sent to each of the electronically connected remittance  
2 partners. The batch status window 1802 shows the current status of the transmission  
3 batches (QUEUED, ACTIVE, DELETED, or COMPLETED). An additional column  
4 (not shown) may be included to show the confirmed time of transmission completion.

5 Figure 19 illustrates an exemplary ETI transaction detail display screen 1900, in  
6 one embodiment of the invention. For a specific partner (in the example shown,  
7 MasterCard RPS), this display shows the details for each remitted transaction – biller  
8 name 1901, originating source transaction detail for direct traceability 1902, customer  
9 account number 1903 and amount paid 1904. From an electronic perspective, the biller is  
10 only interested in the payment amounts to be applied to various customer account  
11 numbers.

12 Figure 20 illustrates an exemplary ETI map biller-to-partner display screen 2000,  
13 in one embodiment of the invention. For each biller defined in the system, there is a one-  
14 to-one mapping of electronic destinations. While ninety-five percent or more billers may  
15 have their remittances delivered via the Federal Reserve ACH network, the remainder of  
16 the remittances may be delivered by a combination of directly connected links and  
17 secondary consolidator links. Display screen 2000 shows, for each biller, a Biller ID  
18 2001 and Biller Name 2002 mapped to a particular electronic destination 2003. Not  
19 explicitly demonstrated by this display is the implicit dynamic mapping of internal Biller  
20 IDs 2001 to external Merchant IDs (depending on the electronic link utilized) that has to  
21 take place for this system to interoperate successfully with a variety of external electronic  
22 networks. Different electronic links may also have different data formats, as those skilled  
23 in the art will appreciate.

Figure 21 illustrates an exemplary transaction browser display screen 2100, in one embodiment of the invention. For every transaction processed through the collection system, the transaction browser program accesses and displays all the relevant information pertaining to that transaction, either locally or through a secure Web Server Application access to remote billers. Such information may include, e.g., a selection entry portion 2101, check and trail record 2102, and payment record 2103. (It should be noted that the bill image would typically not be transmitted to the transaction collection system, and that it is shown in this figure for illustrative purposes only.) The system derives the biller account number from the proposed standard format of biller imprinted bar codes, as described herein.

In summary, the primary function of the central site transaction collection system 1400 is to collect transaction data from the retail network, sort and aggregate the data by biller, and to remit the customer payment data and the money to the biller by the Federal Reserve ACH Network. In the same way that customer data is collected, processed and credited to individual billers, the ACH Network is used to electronically debit the retailers for the payments that they have collected from their customers. The transaction fee, paid by the customer, may be shared by the retailer and the transaction processor.

#### Central Biller Registry System

The current state of the bill payment industry is very fragmented, and many billers currently print their own customer invoices to suit the needs of their own remittance processing systems. There is no universal invoice printing standard to which everyone adheres because there is no economic motivation to do so. Several primary items are required for a bar coded customer bill payment system to succeed: (1) an industry

1 standard that is relatively simple to implement with little or no marginal cost; and (2) a  
2 sufficiently large network of retail establishments, induced by the economic incentives of  
3 taking bill payments with little or no marginal cost; and (3) a method of delivering totally  
4 error-free, electronically remitted customer payment data and funds to billers at no  
5 charge.

6 From a business point of view, there are several organizations that, once  
7 persuaded, might provide the required motivation momentum in each of these areas.  
8 With this assumption in hand, a central registry system would be required to collect  
9 information and to assign the bar code biller identification numbers, in the same manner  
10 that Network Solutions assigns domestic Internet addresses for the World Wide Web or  
11 the Uniform Code Council assigns UPC codes for the retail industry.

12 In one embodiment, assigned biller bar code identification numbers may be 7  
13 digits in length. The first 6 digits identify the biller (in a maximum population of 1  
14 million) with the 7<sup>th</sup> digit being the check digit. For every biller bar code identification  
15 assigned, the following information might be required for central collection: (1) Biller  
16 Name, Address, Phone Number, Fax Number; (2) Biller Administrative Contact Name,  
17 Phone Number, E-Mail Address; (3) Biller Remittance Contact Name, Phone Number,  
18 E-Mail Address; (4); Electronic Connection Type (ACH or Direct); (5) Bank Name,  
19 Address, Remit Account Information, Type; (6) Bank Contact Name, Phone Number, E-  
20 Mail Address; (7) Account Number Information – detailed account format specifications.  
21 Having collected the foregoing information, a biller bar code identification number  
22 would be assigned and a set of bar code print specifications sent to the biller contact. It  
23 would then be the responsibility of the biller to print and to remit a set of test bill

1 remittance stubs for conformance testing and validation. Conformance testing on the set  
2 of sample bill remittance stubs would ensure that the bar code image quality and  
3 physical bar code dimensions satisfied the lowest common denominator bar code  
4 scanners at retail. Validation testing would ensure that information, supplied by the  
5 biller, regarding the printed bar coded customer account number conformed to published  
6 account number validation specifications.

7 Payment Time Stamp via Federal Reserve ACH Network

8 The INDIVIDUAL NAME field (Field 7) in the ACH CIE Batch Detail Record  
9 contains the customer payment transaction number, which is composed of the following 4  
10 data fields: DCNI unit identification (7 digits), last digit of year (1 digit), Julian Date (3  
11 digits), and the transaction sequence number (4 digits). While the DCNI unit number  
12 identifies the retailer where the customer payment was taken, the next four digits specify  
13 the year and the Julian date of payment submission and completion. The  
14 DISCRETIONARY DATA (Field 9) in the ACH CIE Batch Detail Record may be  
15 populated with the Payment Complete Time encoded as a two digit time field ranging  
16 from 00 to 95. As stated above, this number may be divided by 4 to calculate military  
17 hours (decimal) to the nearest quarter hour. For example, the number 26 divided by 4  
18 would yield 6.5 (0630 or 6:30 AM). Time synchronization may be acquired from  
19 universal time standards available through the Internet or national dial-up time services  
20 (U.S. Naval Observatory, Washington, DC or the National Institute of Standards and  
21 Technology, Boulder, CO).

22 Whether or not sanctioned by a governmental agency, such as the U.S. Post  
23 Office, this time stamp could be recognized in much the same way that the U.S. Post

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1 Office postmark on letters is used to prove on-time submission. The customer would  
2 have printed proof of payment date and time, by virtue of his store receipt, that a biller  
3 could not artificially manipulate for purposes of assessing penalty payments. The biller  
4 would also have electronic access to this field as well. Currently, the biller has no  
5 automated means by which to read the U.S. Post Office postmark for proof of on-time  
6 bill payment submission (nor is there any incentive to do so). Bill payment "due date" as  
7 specified in the small print of every credit contract can have a variety of individual  
8 definitions, none of which is directly visible to or traceable later by the customer. A  
9 universal bill payment time stamp would eliminate all the variability of these "due date"  
10 definitions if the biller recognized this time stamp as the creditor date of receipt as  
11 specified in the Federal Reserve Regulation Z Section 226.10.

12 The advantage of this date stamping mechanism to the customer is that it would  
13 give him marginally more time to remit his bill payment on time to the biller. In the  
14 extreme, the customer could pay his bill payment at a late-hours store at one minute to  
15 midnight on the due date. The customer would no longer have to worry about remittance  
16 delivery times. The advantage of this date stamping mechanism to the biller is that  
17 extremely late payments may be electronically credited to the biller no later than 36 hours  
18 after customer payment. In the majority of cases in which the biller had multiple daily  
19 data feeds from his bank, the credit would probably issue in fewer than 24 hours.  
20 Electronically delivered and electronically applied, the current level of biller effort in the  
21 handling of late payments would be entirely eliminated with this system in place. In the  
22 extreme case, billers could safely invoke 48-hour cut-off notices with little or no error of  
23 service call recalls.

1           Electronically remitting data and money through the Federal Reserve ACH  
2 Network only works for those billers whose customer account numbers are less than or  
3 equal to 22 digits which is the current maximum width of Field 8, INDIVIDUAL  
4 IDENTIFICATION NUMBER, using the standard CIE Entry Detail Record format. If a  
5 remitted customer account number is longer than 22 characters, then either one of two  
6 possible solutions is available: using Field 3, 80 columns of data in the CIE Addenda  
7 Record format; or implementing a dedicated data link to the biller with a biller specific  
8 data format.

9           Alternative Electronic Networks to Accommodate Special Billers

10          For high volume billers preferring to have their data delivered to them faster than  
11 the current Federal Reserve ACH Network delivery schedule, direct file transfer links  
12 (e.g. FTP) from the ETI machine through the Internet may be made available. File data  
13 formats and the particular delivery mechanisms may be tailored to meet any biller  
14 requirement, so long as it expedites the flow of customer payment information. In this  
15 mode of operation, biller data would be available for processing within minutes after the  
16 scheduled transaction collection system production "system roll" completes. The  
17 "system roll" sorts and aggregates biller data on a daily production schedule -- once every  
18 12 hours. Payment totals for these transaction batches would be delivered via the ACH  
19 Network. For a trusted remitter, it is not necessary to directly couple the transaction  
20 dollars with the transaction data. The time lag between transaction data and transaction  
21 dollars via the Federal Reserve ACH Network should be no more than 24 hours.

22



1 Alternate Embodiments

2 The present invention may use the public Internet and Internet compatible HTTP  
3 and UDP protocols for the network interconnections described herein, as well as the  
4 Federal Reserve Automated Clearing House (ACH) Network or other networks. Those  
5 skilled in the art will recognize that the servers and their various components, as well as  
6 any other components described herein may be implemented in software, hardware, or a  
7 combination of both, and may be separate components or be integrated into other  
8 components described above. Likewise, the processes described herein may be separate  
9 or combined and may run on common, shared, or separate machines, and as integrated or  
10 separate software modules.

11 It will be appreciated by those skilled in the art that, although the functional  
12 components of the above described embodiments of the system of the present invention  
13 are embodied as one or more distributed computer program processes, data structures,  
14 dictionaries or other stored data on one or more conventional general purpose computers  
15 (e.g. IBM-compatible, Apple Macintosh, and/or RISC microprocessor-based computers),  
16 mainframes, minicomputers, conventional telecommunications (e.g. modem, DSL,  
17 satellite and/or ISDN communications), memory storage means (e.g. RAM, ROM) and  
18 storage devices (e.g. computer-readable memory, disk array, direct access storage)  
19 networked together by conventional network hardware and software (e.g. LAN/WAN  
20 network backbone systems and/or Internet), other types of computers and network  
21 resources may be used without departing from the present invention.

22 The invention as described herein may be embodied in one or more computers  
23 residing on one or more server systems, and input/output access to the invention may

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comprise appropriate hardware and software (e.g. personal and/or mainframe computers provisioned with Internet wide area network communications hardware and software (e.g. CQI-based, FTP, Netscape Navigator<sup>TM</sup> or Microsoft Internet Explorer<sup>TM</sup> HTML Internet browser software, and/or direct real-time TCP/IP interfaces accessing real-time TCP/IP sockets) for permitting human users to send and receive data, or to allow unattended execution of various operations of the invention, in real-time and/or batch-type transactions and/or at user-selectable intervals. Likewise, it is contemplated that the above-described servers consistent with the present invention may be remote Internet-based servers accessible through conventional communications channels (e.g. conventional telecommunications, broadband communications, wireless communications) using conventional browser software (e.g. Netscape Navigator<sup>TM</sup> or Microsoft Internet Explorer<sup>TM</sup>), and that the present invention should be appropriately adapted to include such communication functionality. Additionally, those skilled in the art will recognize that the various components of the system of the present invention can be remote from one another, and may further comprise appropriate communications hardware/software and/or LAN/WAN hardware and/or software to accomplish the functionality herein described. Alternatively, a system consistent with the present invention may operate completely within a single machine, e.g. a mainframe computer, and not as part of a network.

Moreover, each of the functional components of the present invention may be embodied as one or more distributed computer program processes running on one or more conventional general purpose computers networked together by conventional networking hardware and software. Each of these functional components may be

1 embodied by running distributed computer program processes (e.g., generated using  
2 "full-scale" relational database engines such as IBM DB2<sup>TM</sup>, Microsoft SQL Server<sup>TM</sup>,  
3 Sybase SQL Server<sup>TM</sup>, or Oracle 8.0<sup>TM</sup> database managers, and/or a JDBC interface to  
4 link to such databases) on networked computer systems (e.g. comprising mainframe  
5 and/or symmetrically or massively parallel computing systems such as the IBM SB2<sup>TM</sup>  
6 or HP 9000<sup>TM</sup> computer systems) including appropriate mass storage, networking, and  
7 other hardware and software for permitting these functional components to achieve the  
8 stated function. These computer systems may be geographically distributed and  
9 connected together via appropriate wide- and local-area network hardware and software.

10 Primary elements of the invention may be server-based and may reside on  
11 hardware supporting an operating system such as Microsoft Windows NT/2000<sup>TM</sup> or  
12 UNIX. Clients may include computers with windowed or non-windowed operating  
13 systems, e.g., a PC that supports Apple Macintosh<sup>TM</sup>, Microsoft Windows  
14 95/98/NT/ME/2000<sup>TM</sup>, or MS-DOS<sup>TM</sup>, a UNIX Motif workstation platform, a Palm<sup>TM</sup>,  
15 Windows CE<sup>TM</sup>-based or other handheld computer, a network- or web-enabled mobile  
16 telephone or similar device, or any other computer capable of TCP/IP or other network-  
17 based interaction. The communications media described herein (generally referred to  
18 using the generic term "network") may be a wired or wireless network, or a combination  
19 thereof.

20 Alternatively, the aforesaid functional components may be embodied by a  
21 plurality of separate computer processes (e.g. generated via dBase<sup>TM</sup>, Xbase<sup>TM</sup>, MS  
22 Access<sup>TM</sup> or other "flat file" type database management systems or products) running on  
23 IBM-type, Intel Pentium<sup>TM</sup> or RISC microprocessor-based personal computers

1 networked together via conventional networking hardware and software and including  
2 such other additional conventional hardware and software as is necessary to permit these  
3 functional components to achieve the stated functionalities. In this alternative  
4 configuration, since such personal computers typically are unable to run full-scale  
5 relational database engines of the types presented above, a non-relational flat file "table"  
6 may be included in at least one of the networked personal computers to represent at least  
7 portions of data stored by a system consistent with the present invention. These personal  
8 computers may run, e.g., Unix, Microsoft Windows NT/2000™ or Windows  
9 95/98/ME™ operating system. The aforesaid functional components of a system  
10 consistent with the present invention may also comprise a combination of the above two  
11 configurations (e.g. by computer program processes running on a combination of  
12 personal computers, RISC systems, mainframes, symmetric or parallel computer systems,  
13 and/or other appropriate hardware and software, networked together via appropriate  
14 wide- and local-area network hardware and software).

15 As those in the art will recognize, possible embodiments of the invention may  
16 include one- or two-way data encryption and/or digital certification for data being input  
17 and output, to provide security to data during transfer. Further embodiments may  
18 comprise security means in the including one or more of the following: password or PIN  
19 number protection, use of a semiconductor, magnetic or other physical key device,  
20 biometric methods (including fingerprint, nailbed, palm, iris, or retina scanning,  
21 handwriting analysis, handprint recognition, voice recognition, or facial imaging), or  
22 other security measures known in the art. Such security measures may be implemented  
23 in one or more processes of the invention.

1 Source code may be written in an object-oriented or non-object-oriented  
2 programming language using relational or flat-file databases and may include the use of  
3 other programming languages, e.g., C++, Java, HTML, Perl, UNIX shell scripting,  
4 assembly language, Fortran, Pascal, Visual Basic, and QuickBasic. It is noted that the  
5 screen displays illustrated herein at Figures 15-21 are provided by way of example only,  
6 and are not to be construed as limiting the invention or any component thereof to the  
7 exemplary embodiments illustrated therein.

8 Furthermore, it is contemplated that the system and method described herein may  
9 be implemented as part of a business method, wherein payment is received from users,  
10 which might include customers, retailers, and/or billers employing the invention. Such  
11 users may pay for the use of the invention based on the number of files, messages, bills,  
12 or other units of data sent or received or processed, based on bandwidth used, on a  
13 periodic (weekly, monthly, yearly) or per-use basis, or in a number of other ways  
14 consistent with the invention, as will be appreciated by those skilled in the art.

15 Those skilled in the art will recognize that the present invention may be  
16 implemented in hardware, software, or a combination of hardware and software. Finally,  
17 it should also be appreciated from the outset that one or more of the functional  
18 components may alternatively be constructed out of custom, dedicated electronic  
19 hardware and/or software, without departing from the present invention. Thus, the  
20 present invention is intended to cover all such alternatives, modifications, and equivalents  
21 as may be included within the spirit and broad scope of the invention as defined only by  
22 the hereinafter appended claims.

23